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FOR: Mr. Lawrence R. Houston  
General Counsel

TO: [REDACTED]  
Director of Communications

SUBJECT: Proposed Reciprocity Legislation

1. As a result of the Federal Communications Commission's letter of 7 February 1957 which was in reply to a letter from the Bureau of the Budget requesting the Commission's comments on a draft bill "to amend Section 305 of the Communications Act of 1934, as amended, and for other purposes" (reciprocity) submitted by the Department of State, a meeting with the staff of the F.C.C. was held in the office of Mr. Warren Baker, General Counsel, on 14 March 1957.

2. Present from the State Department were Mr. T.S. Bates, Assistant Secretary of State, Mr. T.H.E. Nesbitt, Mr. R.G. Kroer; from the Central Intelligence Agency, [REDACTED] from the Federal Communications Commission, Mr. Baker, Mr. Richard Solomon, Mr. Albert McIntosh and Mr. William Watkins. The discussion was opened by Mr. Nesbitt who stated that the State Department considered the F.C.C. letter in its present form unfavorable, particularly in view of the importance which the Bureau of the Budget would likely ascribe to the view of the F.C.C. It was further pointed out that some of the assumptions upon which the F.C.C. letter was based were erroneous.

3. Mr. Bates informed the Commission representatives of the importance to the State Department of the ability to maintain rapid, secure communications with its representatives overseas at all times and cited the serious view of this matter taken by the Secretary of State and by Mr. Henderson. He cited several instances, particularly the recent situation during the revolt in Budapest, in which the maintenance of reliable communications was so vital to American interests.

4. Mr. Baker said that F.C.C. was in no position to pass upon the necessity of the requested facilities, and it had been the Commission's intention to avoid making such an evaluation in its letter. However, the Commission believed it was its responsibility to point out the ramifications which granting of reciprocal privileges to foreign missions in the United States might have. The Department's representatives pointed out that in their opinion the letter had gone a long way toward expressing such an evaluation in the statement,

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"These problems, in our opinion, are of such magnitude that we are unable at this time to support the proposed legislation."

5. After some discussion it appeared to be the consensus of opinion that additional paper on a modification of the letter under discussion was required. Considerable discussion regarding specific areas of apparent misunderstanding and erroneous assumptions upon which the Commission's letter was based ensued, and it was agreed that representatives of the three agencies would meet and iron out the apparent misunderstandings. It was hoped that after agreement was reached at the working level a revision of the Commission's letter could be made or the F.C.C. would submit an amending letter based upon the understanding arrived at by the working group.

6. Representatives of the Department of State, C.I.A. and F.C.C. met on the 27th of March pursuant to the agreement referred to in the preceding paragraph. Present were Mr. William Watkins and Mr. Richard Solomon of F.C.C., Mr. T.H.E. Nesbitt and Mr. R.G. Kreer of the State Department and [redacted] of C.I.A. A lengthy discussion based upon the attached comments ensued which served to clarify the position of the State Department on the matter of reciprocity. The attached comments are tied to the paragraphs of the F.C.C. letter of 7 February 1977. The meeting closed with an agreement that the Department of State would prepare a letter to the Chairman of the Federal Communications Commission clarifying its position along the lines of the attached comments and requesting that the matter be considered further by the Commission. The Department of State is presently preparing such a letter.

Attachment

PTJ:sb

Dist: Orig & 1 - Addressee  
1 - SA/IAL Chrono (Reciprocity)

General Comment - Official mission is Embassy or Legation in Washington only.

- Par. 4, p. 1 - Foreign missions would suggest frequencies (to State, etc.) if possible from their own complements normally used by their national service for approval of U.S. all IES but in any case subject to U.S. priorities.  
This works well in [ ] other similarly congested places 25X1A
- Par. 5, p. 2 - State will not attempt - it will within limitations such as frequency use, power, quality of transmitter, hours of operation and adherence to FCC standards. U.S. achieving dependable operation on 100 watts [ ] 25X1A  
Matters of interference between stations of foreign missions will be resolved by the Department on basis of priority of operation.
- Par. 6, p.2 - See paragraph 4 above. Complements of frequencies per se not factual.
- Par. 7, p. 293 - Same as paragraph 4 reply.
- Par. 8, p.3 - No domestic operation from Washington only.
- Par. 9, p.3 - Washington Embassy and Legation only.
- Par. 10, p.3 - Will write in agreement compliance with Conelrad. Would provide better control of unfriendly missions.
- Par. 11, p.4 - Highly specialized, limited, low capacity (volume) selected service. We have no desire to open up Western Europe. Companies all making money at this time. 25X1A
- Par. 12, p.4 - This type of monitoring should be done now. [ ]  
[ ]  
Will insist in agreement that equipment meet our (FCC) standards.
- Par. 13, p.5 - Agree, of course.
- Par. 14, p.5 - Draft interagency agreement will set forth limitations.

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